



TAX STRUCTURE TRENDS





Tax Structure Trends

Tax Structure Trends in Montana

The six charts on the next three pages provide a graphic illustration of Montana's general tax structure. Using tax collection data from fiscal years 1984 through 2004, the charts show how Montana's tax structure has changed over time. For most states, the tax structure is typically characterized as a "three-legged stool" consisting of income, property and sales taxes. In Montana, the sales tax leg of this typical tax structure is comprised of natural resource taxes (e.g., coal, oil and natural gas severance taxes) and selective sales taxes (e.g., cigarette and alcoholic beverage taxes). Income taxes include taxes levied on corporations as well as individuals; property taxes include state and local property tax levies.

The four tax categories represented on the six charts on the following pages are consistently comprised of these items:

Income Taxes

- Individual Income Tax
- Corporation License Tax

Natural Resource Taxes

- Coal Severance Tax
- Coal Gross Proceeds Tax
- Metalliferous Mines License Tax
- Metal Mines Gross Proceeds Tax
- Micaceous Mines License Tax
- Miscellaneous Mines Net Proceeds Tax
- Oil and Natural Gas Production Tax
- Resource Indemnity and Groundwater Assessment Tax
- Cement and Gypsum Taxes and Licenses

Property Taxes

- Property Taxes
- All SID and RID Amounts
- All Fees Paid on Property

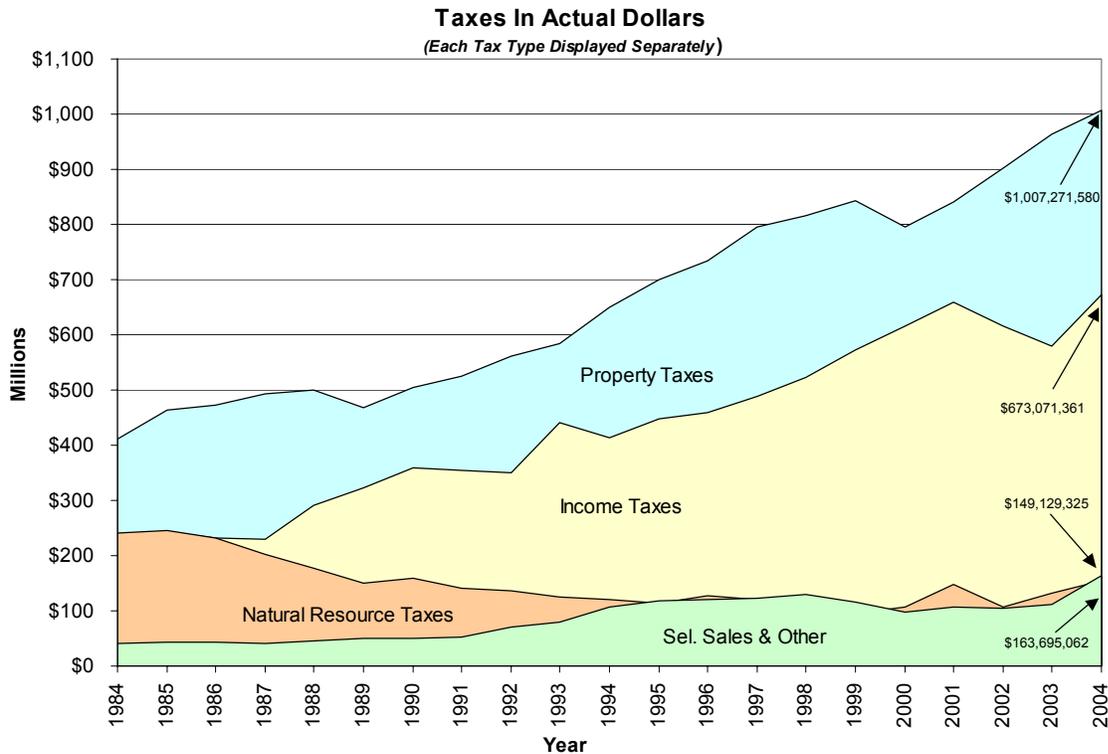
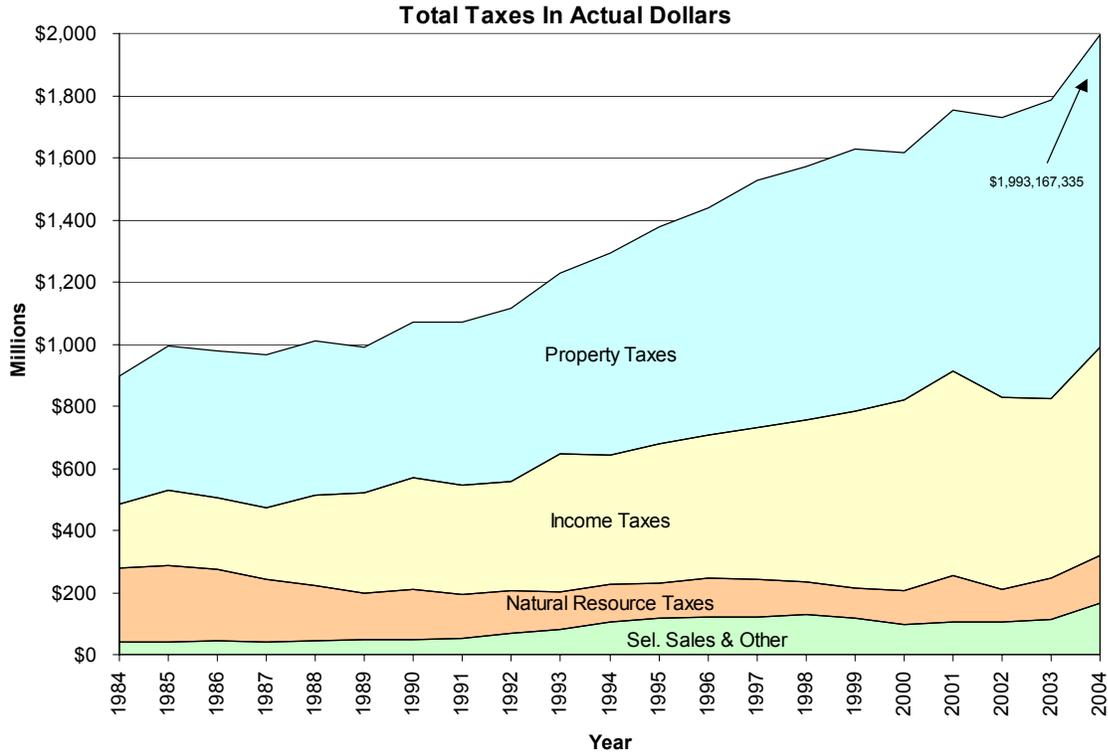
Other Taxes

- Accommodations Taxes
- Rental Vehicle Tax
- Cigarette and Other Tobacco Product Taxes
- Alcohol Taxes(Liquor, Beer and Wine)
- Telephone Company License Tax and Retail Telecommunications Excise Tax (RTET)
- Statewide Emergency Telephone 911 System Fee
- TDD Telecommunications Service Fee
- Electrical Energy Producers' License Tax
- Wholesale Energy Transaction Tax
- Consumer Council Tax
- Public Service Commission Tax
- Inheritance and Estate Taxes
- Nursing Facility Bed Tax
- Public Contractors' Gross Receipts Tax
- Rail Car Tax
- Intermediate Care Facility Utilization Fee
- Hospital Facility Utilization Fee

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Tax Structure - Actual Dollars

The first two charts show the change in taxes over time in *actual* dollars. These dollars are **not** adjusted for effects due to inflation. The first chart shows growth in total taxes; the second chart shows how each component of total tax dollars has changed over time.

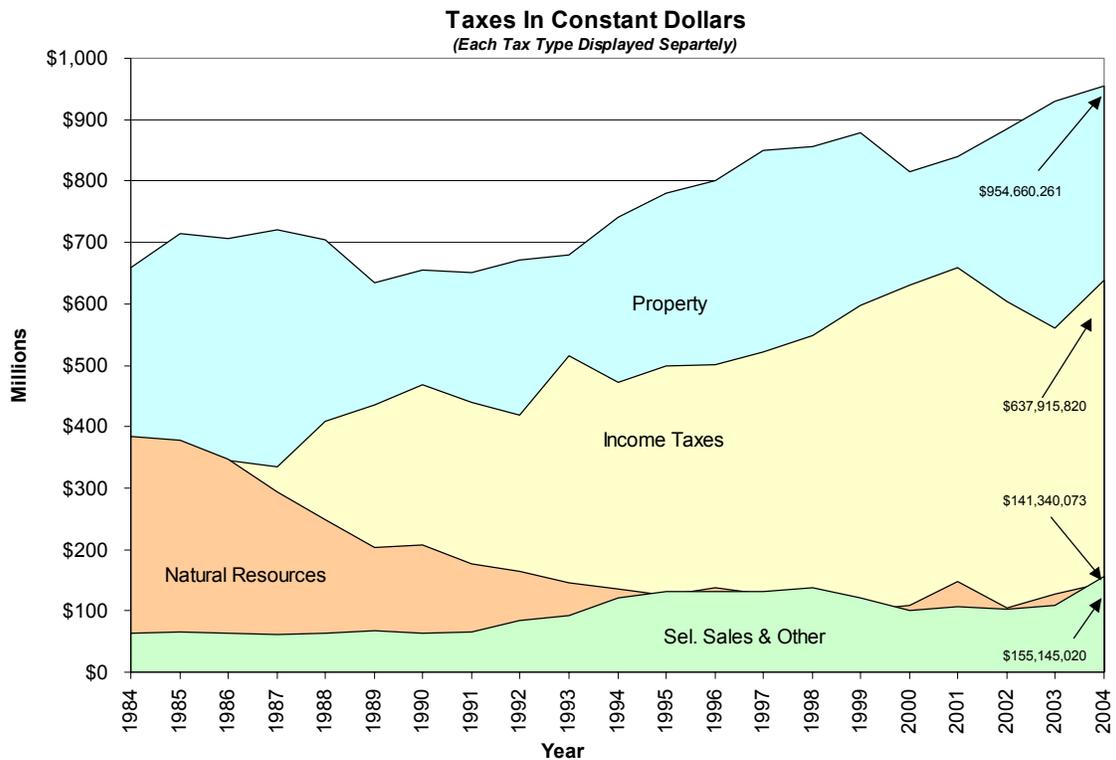
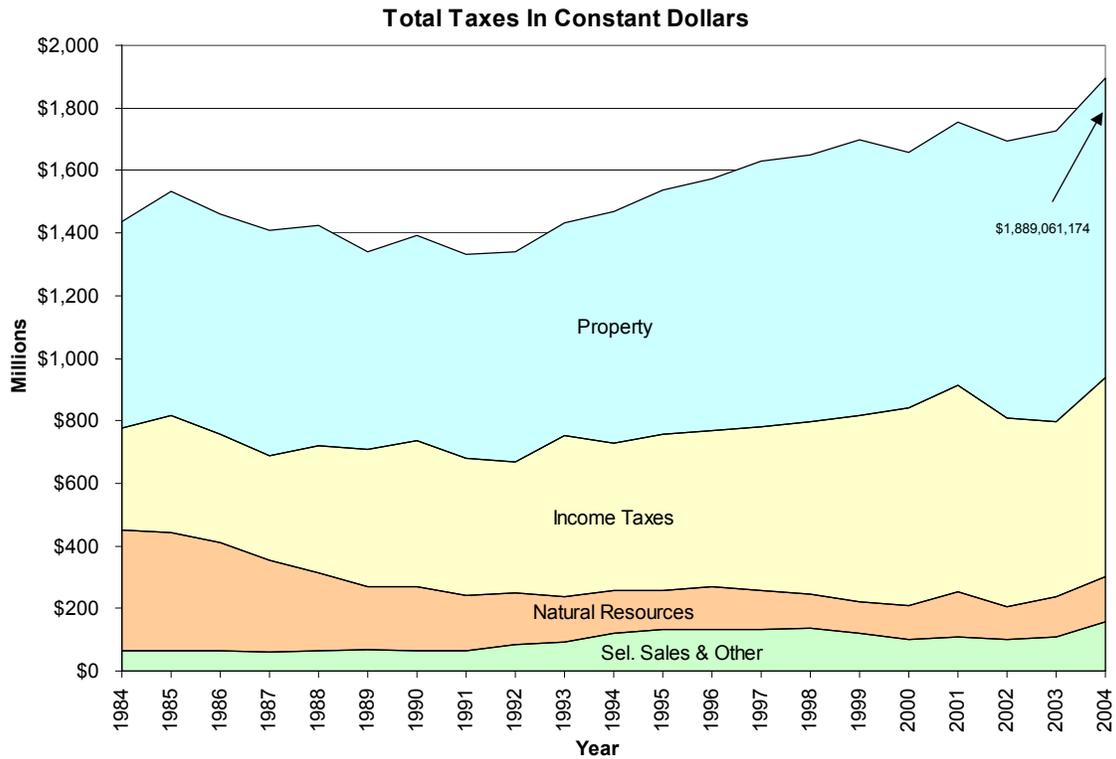




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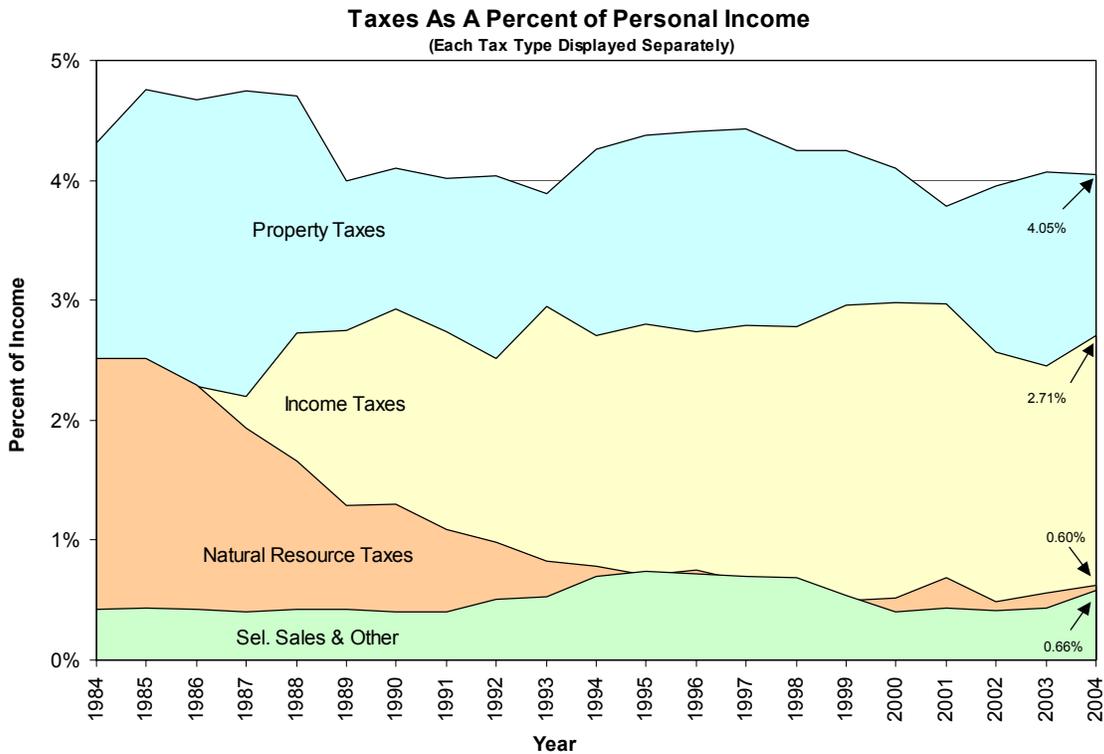
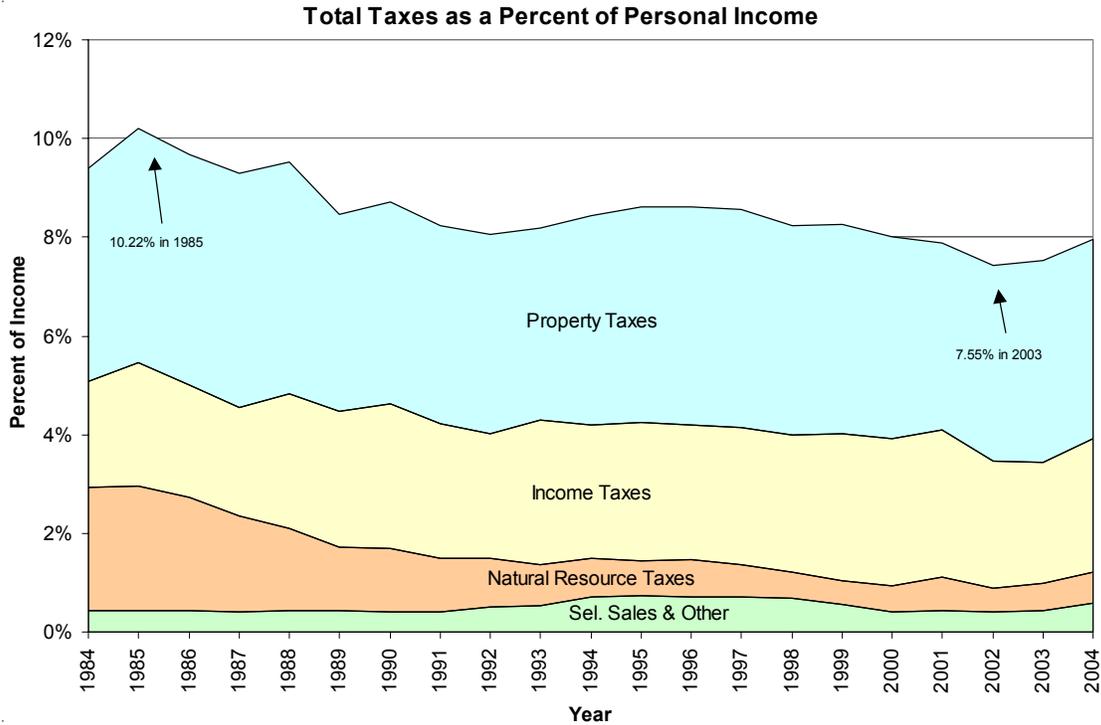
Tax Structure - Constant Dollars

The next two charts show the change in taxes over time in constant 2000 dollars. These dollars, often referred to as “real” dollars, have been adjusted to remove the effects of inflation. The charts show the changes in each component of the tax structure.



Tax Structure - Taxes as a Percent of Income

The final two charts show actual taxes as a percent of Montana total personal income (TPI). The chart can be viewed as a general reflection of the share of total economic activity consumed by taxes in each year. Since 1984, total taxes as a percent of personal income have been as high as 10.22% in 1985 and as low as 7.55% in 2003.



Dept of Revenue State Collections - Fiscal Years 1998 through 2004

	1998	1999	2000	2001	2002	2003	2004
Individual Income Tax							
Income Tax Withheld	\$ 338,489,478	\$ 354,150,183	\$ 366,445,198	\$ 393,209,335	\$ 403,857,414	\$ 428,364,605	\$ 457,863,199
Income Tax All Other	105,671,251	128,881,386	149,816,713	162,805,219	113,710,277	107,466,059	147,485,222
Subtotal	444,160,729	483,031,569	516,261,911	556,014,554	517,567,691	535,830,664	605,348,421
Corporation License Tax							
	77,928,498	89,624,560	99,088,870	103,670,487	68,173,254	44,137,518	67,722,940
Natural Resources Taxes (State)							
Coal Severance Tax	35,045,243	36,767,488	35,469,791	32,337,172	31,614,049	29,423,546	31,544,681
Oil and Gas Production Tax	11,185,290	9,221,612	13,817,290	31,392,351	15,837,967	30,894,533	47,712,085
Resource Indemnity Trust Tax	1,379,111	1,273,739	13,232,102	1,077,072	1,224,307	1,225,611	1,250,528
Metaliferous Mines License Tax	3,977,699	5,700,013	4,661,369	5,923,752	5,740,242	7,055,900	5,572,192
Subtotal	51,587,343	52,962,852	67,180,552	70,730,347	54,416,565	68,599,590	86,079,486
Other Taxes, Licenses and Services							
Cigarette Tax	13,244,550	12,265,347	11,766,271	11,628,458	11,052,174	16,093,023	41,582,823
Telecommunications Excise Tax	-	-	6,366,299	18,838,200	19,593,501	20,804,524	20,890,336
Lodging Facility Use Tax	10,008,143	10,773,706	11,184,192	11,348,328	12,015,697	12,045,407	13,573,172
Inheritance/Estate Tax (Net)	15,726,605	18,301,680	19,038,785	20,285,642	13,816,144	13,305,983	11,431,103
Sales Tax - Accommodation	-	-	-	-	-	571,237	9,278,658
Nursing Facility Bed Tax	6,200,413	5,713,357	6,054,947	5,655,978	5,918,173	5,723,472	9,158,829
Hospital Utilization Fee	-	-	-	-	-	-	7,427,903
Emergency Telephone 911 System	3,666,571	2,868,094	4,244,220	4,644,034	4,968,579	5,383,414	5,388,386
Electrical Energy Production Tax	4,401,728	4,618,433	4,829,002	4,057,952	4,197,477	4,130,019	4,660,529
Abandoned Property	1,831,638	1,247,508	1,809,387	1,930,446	1,349,765	1,929,547	3,836,896
Tobacco Products Tax	1,801,084	1,817,971	2,042,241	2,097,590	2,228,524	2,360,471	3,625,893
Wholesale Energy Transaction Tax	-	-	1,705,093	3,503,427	2,906,263	3,532,056	3,292,659
Public Service Commission Tax	2,154,289	2,383,511	2,347,280	2,851,306	2,296,111	2,041,709	2,875,741
Sales Tax - Rental Vehicles Tax	-	-	-	-	-	-	2,485,989
Contractor's Gross Receipts Tax	2,290,944	3,320,402	2,162,223	791,615	3,267,321	3,081,553	2,120,485
Rail Car Tax	2,054,244	2,074,000	2,100,600	1,555,747	1,489,813	1,484,264	1,567,868
Consumer Counsel Tax	779,809	877,935	929,731	1,049,394	855,308	858,819	1,303,597
TDD Telecommunications Service Fee	728,017	570,089	850,586	845,505	1,080,299	1,038,093	1,086,929
Intermediate Care Utilization Fee	-	-	-	-	-	454,664	863,036
Other Taxes, Licenses and Services	188,126	189,766	183,152	150,037	179,096	159,964	145,992
Old Fund Liability Tax	52,650,637	28,722,320	1,892,208	-	-	-	-
Telephone License Tax	5,773,341	6,036,769	3,490,590	-	-	-	-
Subtotal	123,500,139	101,780,888	82,996,807	91,233,659	87,214,245	94,998,219	146,596,825
Liquor Taxes, Profits, and Licenses							
Liquor Profits, Licenses (to GF), Tax Receipts	11,394,940	12,085,603	12,258,887	12,358,114	11,597,749	11,806,353	12,855,500
Liquor, Beer, and Wine Taxes	11,440,392	11,891,047	12,673,526	12,900,328	13,426,398	14,052,136	14,948,894
Subtotal	22,835,332	23,976,650	24,932,413	25,258,442	25,024,147	25,858,489	27,804,395
TOTAL COLLECTIONS	\$ 720,012,041	\$ 751,376,519	\$ 790,460,553	\$ 846,907,489	\$ 752,395,902	\$ 769,424,480	\$ 933,552,067

